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Latin America Report

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FOREIGN BROADCAST INFORMATION SERVICE

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On behalf of all of us in FBIS I wish to express appreciation to our readers who have guided our efforts throughout the years.

26 February 1981

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No. 2260

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DETAILS OF BOLIVIA-BRAZIL GAS PIPELINE REVEALED

La Paz PRESENCIA in Spanish 22 Jan 81 p 1

[Text] Brasilia, 21 Jan (LR)--Brazil and Bolivia have just worked out the details for the purchase of 400 million cubic feet of Bolivian natural gas per day for a period of 20 years, the largest transaction of its type in South America.

The details of the agreement, which among other things provides for the construction, beginning in a year, of a 1,940-kilometer-long gas pipeline, were defined at a closed meeting held on Monday and yesterday by the oil ministers of both countries. The meeting took place in the Brazilian city of Corumba, located on the border with Bolivia.

Cesar Cals, Brazilian minister of mines and energy, and Lider Sossa, Bolivian minister of hydrocarbons and energy, agreed that by March of 1981, the enterprise which will complete engineering studies for the construction of the gas pipeline must have been chosen. The pipeline will cross 570 kilometers of Bolivian territory and 1,370 kilometers of Brazil.

The pipeline will start at Bolivia's gas deposits and run as far as the state of Sao Paulo in Brazil, to the industries that will use the gas.

A press release from the Brazilian Ministry of Mines and Energy today said that the two ministers had discussed "concrete measures aimed at speeding up construction of the pipeline."

It explained that the final contract for gas negotiations should be signed at the beginning of 1982 between PETROBAS (Brazilian Petroleum Corporation) and the YPFB [Bolivian Government Oil Deposits], thereby complying with the Brazilian-Bolivian agreement signed in 1974 and ratified in 1978.

The accord, signed by the then presidents of Brazil, Ernesto Geisel, and Bolivia, Hugo Banzer, provided for the marketing of 240 million cubic feet of natural gas per day.

An agreement of intentions signed in October 1978 in Brasilia provided that Bolivia would supply Brazil with 400 million cubic feet of gas per day for 20 years.

Sources in the Brazilian Ministry of Mines and Energy have indicated that the ministers of the two countries agreed to calculate the price of gas based on that of oil. It would then be adjustable in order to follow the evolution of the prices of oil derivatives.

The press release from the ministry stated that the rate for transporting the gas across Bolivian territory would be \$.75 (including the cost of production) and \$.70 across the Brazilian stretch. Both are for 1 million cubic feet.

Negotiations for the marketing of Bolivian gas to Brazil were largely suspended after the signing of the presidential agreement of May 1974, especially due to the opposition of groups opposing Banzer's government.

They were later resumed in 1977, with meetings of experts from both countries in Rio de Janeiro. In 1978, an agreement of intentions was signed, raising the volume of gas to be marketed.

However, once again Bolivia's domestic politics intervened, causing negotiations to be paralyzed. They were resumed at the close of 1980 with another meeting of experts from the oil companies of the two nations. The meetings led to the meeting of ministers in Corumba.

In the joint statement issued yesterday at the close of the meeting and received here today, the ministers expressed the "interest and desire of their respective governments in carrying out the proposed purchase and sale of natural gas."

11,464
CSO: 3010

REPORT SHOWS DROP IN CRUDE OIL PRODUCTION

La Paz PRESENCIA in Spanish 12 Jan 81 p 3

[Text] In 1980, national production of crude oil and oil condensate dropped 14 percent compared with 1979 figures, according to a report from the Ministry of Energy and Hydrocarbons.

The report indicates that the decline in production and the trend toward increased domestic demand have made it difficult to meet needs for fuels and lubricants, a situation that was temporarily overcome through the use of production left over from previous years.

The imbalance in the domestic oil derivatives market was worsened by the light nature of the oil and the growing demand for heavy fuels and lubricants, the report states, while emphasizing that oil reserves have been reduced to a minimum.

In 1980, the Bolivian Government Oil Deposits and foreign contractors achieved a total average daily production of 23,988 barrels of crude oil and condensate. Average production in 1979 was slightly over 27,000 barrels per day.

On the other hand, demand rose 2.9 percent in 1980 compared with the previous year, reaching an average of 4,064 cubic meters or 25,564 barrels per day. In order to meet this requirement, the refineries processed 9.3 million barrels of oil.

"The critical products for the supply were diesel fuel, fuel oil and lubricants, heavy products which, because of the characteristics of the available raw material, cannot be produced in larger quantities. In the case of fuels, it is hoped that the market will permit their replacement by liquefied gas and subsequently, natural gas," the report states.

The report adds that "efforts are being made to overcome the critical period that will occur in 1981, when demand will outstrip production."

If official estimates are accurate, oil production will not be increased until the middle of this year, when the Porvenir field in Chuquisaca goes into production, operated by the American company of Occidental. This field will produce approximately 8,000 barrels of oil a day, equivalent to 33 percent of current production.

The Colpa-Mineros gas pipeline will take gas to the sugarmills located in northern Santa Cruz in order to speed up the replacement of heavy fuels by natural gas during the first six months of the year.

Marketing

The 1981 Plan of Operations drawn up by the Ministry of Energy and Hydrocarbons envisions an investment of \$20.9 million in marketing activities. It includes the following projects: airport facilities to ease the marketing of products for aviation; the installation of residential gas systems involving the completion of studies and the construction of pilot systems for the distribution of natural gas for urban consumption in the cities of Santa Cruz, Montero, Camiri, Sucre, Potosi, Yacuiba and Villamontes; facilities for the distribution of liquefied petroleum gas, involving liquefied petroleum gas storage tanks, eight stations for sales to automotive vehicles, containers and other facilities in different cities in the country; and the construction of other facilities to permit the sale and distribution of gasoline, diesel oil, kerosene and fuel oil, including containerization plants, a multipurpose pipeline for Trinidad and the construction of 21 service stations.

11,464

CSO: 3010

STATE ORDERS CONSTRUCTION OF NEW GAS PIPELINES

La Paz PRESENCIA in Spanish 11 Jan 81 p 7

[Text] Within the framework of the policy aimed at reactivating the Bolivian Government Oil Deposits (YPFB), the government has ordered the construction of a number of gas and oil pipelines that would result in better marketing of hydrocarbons produced in Bolivia.

These projects are part of the government's 5-year plan, whose objective is to modify the national policy for the hydrocarbon sector aimed at the economic strengthening of the YPFB by higher prices for hydrocarbons sold in the country.

The projects include: a gas pipeline to the Altiplano to facilitate replacing the consumption of heavy fuels, especially fuel oil, by natural gas in the northern and central areas of Bolivia; the Yacuiba-Tarija gas pipeline, aimed at providing natural gas to industries now operating and those to be set up in the cities of Yacuiba, Bermejo, Emborozu, Tarija and El Puente.

Extension of Monteagudo-Sucre Gas Pipeline

The Monteagudo-Sucre gas pipeline will be extended by laying a line from Taquirpírenda, on the gas pipeline used for exports to Argentina, as far as Camiri and Cerrillos, where it will connect with the gas line coming from Sucre and Potosí.

The Porvenir-Nancarrowinza oil pipeline, to be used to carry oil from the Porvenir oilfield to Nancarrowinza, where it will connect with the Camiri-Santa Cruz line which will take the oil to the Palmasola Refinery.

The El Espino-Abapo oil pipeline is in the final phase of construction. It will take oil from the El Espino oilfield to Abapo, where it will connect with the Camiri-Santa Cruz pipeline, which in turn will carry the oil to the Palmasola refinery.

The Sucre-Potosí multipurpose pipeline is the final phase of the new Taquirpírenda-Monteagudo-Sucre-Potosí system, which will provide natural gas for the needs of the Sucre and Potosí areas.

Gas Production

The official report adds that natural gas production rose 13 percent in 1980 compared with the previous year. A large part of this production was exported to Argentina.

According to the Ministry of Energy and Hydrocarbons, the fact that the natural gas market is shared with foreign contractors that work certain petroleum areas limits the production and profits of the YPFB.

In 1980, natural gas production totaled an average of 251 million cubic feet per day, including the YPFB and contracting companies.

Producing for domestic consumption with some left for export, the YPFB put out 554,380 barrels of liquefied petroleum gas last year.

Prospects

Official plans for this year provide for a substantial increase in exploration and operations, with the prime objective of avoiding importing oil.

Efforts will be made to produce enough to enable the refineries in Cochabamba and Santa Cruz to process over 26,000 barrels of oil a day.

Natural gas production will be increased slightly, depending on the increase in exports to Argentina, while the production of liquefied gas for the internal market should amount to 3,788 barrels per day.

"The understanding and cooperation of the different population groups regarding plans outlined for a rational use of our fuels, while avoiding waste and reporting hoarding and smuggling, will be the best way to at least help maintain the balance between production and the demand for fuel. In this way, the country will not be forced in the immediate future to import oil at prices far beyond what the Bolivian consumer is accustomed to paying," the Ministry of Energy and Hydrocarbons added.

11,464
CSO: 3010

BRIEFS

YPFB DELAYS COSTLY—Tarija, 19 Jan—The failure of the Bolivian Government Oil Deposits (YPFB) to complete a gas pipeline from Yacuiba to Tarija, a project that was to have been carried out in the final quarter of 1980 according to a document signed by the Office of the President of the Republic, has caused obvious concern in circles in this city. Due to the lack of gas to meet domestic needs in this capital as well as the needs of industrial complexes such as the Bermejo sugarmills and glass, paper and cement manufacturing plants that will operate in the near future, it is unfortunately necessary to use thermoelectric power requiring large amounts of liquid fuels, which are growing scarcer by the day in the country. Concern of officials over the failure to carry out the document signed by the YPFB grew with the release of information by Col Jorge Barrenechea, former manager of the Bermejo mills, information published by LA VERDAD in this city and containing alarming details on the "squandering of oil and no interest in finding substitutes." Bermejo's oil is of the best quality produced in Tarija, the information states. It is the only heavy fuel which the country has and could be used to make other fuels or asphalt, but a large percentage of it is now burned by the sugarmills. The following consumption figures are given: During the 1980 harvest, lasting 189 days, 6,170,875 liters of oil were used, an average of 32,650 liters a day. The total cost was 24,683,400 bolivian pesos, 130,600 pesos a day. [Text] [La Paz PRESENCIA in Spanish 20 Jan 81 p 4] 11,464

CSO: 3010

CHILEAN RADIO COMMENTS ON ARGENTINE FINANCIAL CRISIS

PY131505 Santiago Chile Domestic Service in Spanish 1000 GMT 13 Feb 81

[Unattributed commentary]

[Text] The Argentine economy is now on the brink of collapse. Nearly \$600 million have been withdrawn from Buenos Aires banks in 3 days. The Buenos Aires stock market is virtually paralyzed.

In 5 weeks, the Argentine reserves dropped by \$1.6 billion as more banks and enterprises go bankrupt. There is now a real frenzy for buying U.S. dollars and gold in Buenos Aires. No one wants Argentine pesos.

Leading Argentine financial experts have criticized the government's economic policy conducted by Minister Jose Martinez de Hoz.

The financial panic has gained momentum due to reports that \$600 million have been withdrawn from Argentine banks in the past 3 days. Part of these funds went to speculators who quickly took the money out of the country. Rumors of a domestic political crisis and of a conflict with Chile alone were sufficient to unleash the financial panic.

Argentine economic experts Alvaro Alsogaray, Armando Rivas, Roberto Salomon, Carlos Correa, Roque Fernandez, (Jorge Tozzeria), Carlos Carvallo and Juan Carlos Pugliese have stated that the Argentine economic system has become obsolete and demanded a swift change of course.

According to technical reports released in Buenos Aires, the Argentine national reserves have dropped by \$1.6 billion since January. This is the worst crisis in recent years. The above \$1.6 billion accounted for approximately 25 percent of the Argentine total reserves which, according to the Central Bank, have now been reduced to only \$4.8 billion.

Another factor of pressure in this virtual financial collapse is the rising foreign debt. Whereas in 1976 Argentina had a \$7 billion debt with banks and financial enterprises, its foreign debts have now risen to \$30 billion.

Several banks and financial enterprises have gone bankrupt in recent months, including Sasetur Inc., which is one of the most powerful Argentine companies. Sasetur's bankruptcy caused the closure of 148 enterprises around the country and left a (?deficit) of 1.4 billion. The bankruptcy of the [name indistinct] complex which operated with U.S. capital was also announced.

Money exchange firms no longer have U.S. dollars. The rate of exchange with the U.S. dollar increased by 12 percent in the black market this week. Banks increased by 8 percent their interest rates on 3-day deposits. The Buenos Aires stock exchange is virtually paralyzed due to the sharp drop in stock values. Buenos Aires financial experts predict a new devaluation of the peso in view of the flight of currency.

CSO: 3010

BRIEFS

ARGENTINE CONSULATE EXPLAINS CLASH--Buenos Aires, 12 Feb (NA)--The secretary of the Argentine consulate in Punta Arenas (Chile), Alfredo Giunta, today clarified the details of the incident he was involved in yesterday with two reporters of the Chilean newspaper LA PRENSA AUSTRAL. In a telephone interview, he said tonight to NOTICIAS ARGENTINAS that "they were taking photographs of the consulate without permission, and I had them expelled by Chilean carabineros." International press reports yesterday indicated that photographer Santiago Aguilar and journalist Luis Leon had had words with the secretary of the Argentine consulate in Punta Arenas. Giunta explained that the two Chilean journalists "invaded the consulate at approximately noon, and that they entered the offices without permission and began to take photographs as though they were in their own homes. The press here has distorted matters, but there was no major problem because as they were photographing the consulate without permission I had them expelled by Chilean carabineros," he concluded. The reports of international agencies indicated that the two Chilean journalists visited the consulate in order to interview the Argentine consul, Guillermo Luchetti. [Text] [PY170028 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0110 GMT 13 Feb 81]

CSO: 3010

'HERALD' REVIEWS BACKGROUND OF CURRENCY CRISIS

PY160012 Buenos Aires HERALD in English 15 Feb 81 p 2

[From William Horsey's "The Week in Business"]

[Excerpt] Nobody is more timid than the capitalist, and the smaller he is, the more fearful is his nature; hence the generation which stuffed gold coins up the chimney or under the mattress.

When Dr Joe belied his previous denials and devalued the peso on February 3 by 10 percent, also increasing the rate of minidevaluation, (which meant a total of 35 percent devaluation by August 31) it was thought the flight from the paper peso might be slowed if not halted.

On the contrary, with the disappearance of 33 banks and finance groups in months, plus the bankruptcy or impending bankruptcy of between 150 and 200 companies all over the country, a mad rush set in with crowds besieging the moneychangers to buy dollars.

The first day the dollar quotation went up by 47 pesos and by 15 pesos the following day. A special charge was imposed of 5,000 pesos on all those who bought dollars said to be "for administrative expenses."

Nor did that stem the rush, so on Thursday, the Central Bank met with the leading foreign exchange operators and seemed to have reached a gentlemen's agreement to quote lower rates. At the same time it was reported--as might be expected--that the so-called "parallel" or black market had come into its own again despite the heavy penalties for folk who get caught. Contrary to official hopes after the devaluation, interest rates, already high, began to rise daily.

The Central Bank lost 450 million dollars in 2 days, says LA PRENSA's analyst Jesus Iglesias Rouco, from its steadily diminishing reserves; hence there is talk in banking circles of cutting down the present limit of \$20,000 a month per individual in over the counter deals to \$5 or \$10 thousand. There is also the lingering specter of absolute exchange control, if things get worse.

But if things become more normal, new foreign trade measures are mooted. There would be export bounties of from 6 to 10 percent although the meat packers have already said that their 10 percent is insufficient. There would also be import duties of from 10 to 15 percent on a selective basis, bearing in mind the possibility of retaliation by other countries.

Background to all this form the uncertainty of what the new budget will mean. In constitutional times it is supposed to be ready for congressional approval by the end of September. Apart from the 33 busted banks and finance companies, we have the all-time record bankruptcy of the Sasetru holding company, which will affect its 140 subsidiaries. Legal history was made this week when the judge appointed three private experts to work things out with the official liquidator.

The latest finance company to go under was Estuario, which operated in a newly built skyscraper at the corner of Leandro Alem and Marcelo Torcuato de Alvear. It ranked only 70th in deposits but managed to loan 36 percent more money than it had in deposits. Here again appears the formidable shadow of the Sasetru collapse.

Then there is the budget, whereof we have only leaks and Iglesias Rouco (he is one of the best informed newsmen here). In principle as with other governments the world over, cuts must be made. From the figures seen, they affect social security, public works, hydroelectric and atomic power schemes, but if the figures are correct, the cuts are very minor ones.

However, remember the peso has lost half its purchasing power of a year ago, so that if the amounts allotted are almost the same, in practice their real value is cut in half! The draft budget sent to the CAL [Legislative Advisory Commission] legislative committee was before the devaluation, hence there may be a whole new set of budget allocations.

CSO: 3020

EDITORIAL VIEWS FLIGHT FROM PESO

PY152331 Buenos Aires HERALD in English 13 Feb 81 p 8

[Editorial: "Vote of No Confidence"]

[Text] There are few more eloquent, or more damaging, ways of displaying a lack of confidence in a government's ability to handle events than to divest oneself of one's own country's currency in favour of that of another. That, however, is what a considerable number of people--most of whom, it would seem, belong to social groups that have benefited from the present government's economic policies--are doing. The message being conveyed by the crowds besieging the money-changers is grim. They take it for granted that the real future will bear precious little resemblance to the one sketched out by the present economy minister and they simply do not believe that current policies will be continued or, if they are, that the results will be positive.

The stampede from the peso was not caused by the surprise devaluation because it had been going on for some time and the devaluation merely speeded it up. The most decisive factor was and is unease about the kind of government the country is going to get after March 29. Although it will be in large measure a superficially different version of the government of General Jorge Rafael Videla, with real power remaining firmly in the hands of the three service chiefs, nobody is quite sure just how it will handle the country's financial problems. Until it manages to make its intentions abundantly clear, if it can do so, this unease will persist and many people will put their money into dollars which, whatever else one may say about them, seem less likely than pesos to lose their value in the months to come.

The sooner the next government does commit itself to specific policies the better. The panicky flight from the peso cannot be allowed to go on for many more days. Indeed, if the rate reached at the start of this week were to be maintained the reserves would vanish entirely from the Central Bank and be stashed under a large number of mattresses in private homes by the time General Viola receives the country into his safekeeping. The drain on the reserves will not, of course, be allowed to go as far as that. Unless it slows down markedly in the next day or so the government will have little choice but to plug up the holes, even if this means contradicting its most cherished economic principles.

Stopping the outflow of reserves would be easy enough, from a technical point of view at least. Restoring confidence in the country's immediate economic future

will be very much harder. But restored it must be if the Viola government is to inherit a going concern. Enough people will have to be convinced that the pesos they have now will, if invested properly, prove more valuable than dollar bills. If they continue to believe that there is a danger of a massive devaluation soon after the next government takes over, or that exchange controls will be imposed to prevent them from buying foreign currencies, they will continue to buy dollars as fast as they can while they can. Statements made by members of the present administration about the future of their policies are no longer taken very seriously. If they are to have any effect at all they must be backed by equally trenchant declarations by members of the government to come. The ball, whether it likes it or not, has been slammed into the next government's court and it will have to do something with it.

CSO: 3020

PROMOTION OF NATUSH BUSCH AIMED AT ARMED FORCES COHESION

Buenos Aires CLARIN in Spanish 30 Dec 80 p 29

[Text] On 24 December, the Bolivian military junta approved the promotion of 16 colonels, including Alberto Natush Busch, to division general.

The order was given in a decree by President Luis Garcia Meza and his council of ministers, according to the Bolivian morning newspaper PRESENCIA.

Background

The decision once again aims toward the pinnacle of a military career a man who in mid-1979 entered a period of eclipse after Garcia Meza, the then commander of the army (and now president) negotiated a solution to the crisis precipitated by the 1 November 1979 coup which Natush Busch led against Walter Guevara Arze.

The coup shocked Bolivia and the continent by disturbing the shaky democratic institutionalism of that altiplano country at the end of the general assembly of the Organization of American States.

During the OAS meeting, Bolivia had received strong support for its just aspirations to an outlet to the sea.

Weakness

But the Bolivians did not take advantage of that opportunity; they were more inclined to dive into the strife of transitory personalist politics than to place themselves solidly behind a banner of unity, which is what obtaining an outlet to the sea meant and still means.

So Dr Guevara Arze was, precariously seated in the presidential chair for a time--an unexpected head of state who was politically weak and isolated because he had come into the government as a result of disagreements between political bosses Victor Paz Estenssoro and Hernan Siles Zuazo.

Guevara could not present to the OAS a valid intersectorial proposal supported by the whole Bolivian people favoring that seaport.

This became irrefutable proof of the futility of that democratic process, which the political bosses themselves did not seem very interested in defending.

In addition, Guevara had his own ambitions, to the grief of Paz Estenssoro, with whom he had had personal differences since the early 1960's.

The idea of the Natush coup did not arise in the barracks but rather in the cocktail parties of the behind-the-scenes politicians who planned the riot. It could not be a conventional coup. A formula was needed to unite a military leader who was respected and listened to by his peers with a group of civilians representative enough to give the action the confidence of the disoriented majorities of the divided and confused Nationalist Revolutionary Movement.

To achieve that, it was essential for Dr Paz Estenssoro to publicly assume his responsibility. But that did not occur.

The search for a strong executive, such as generals Rene Barrientos (1964-1969) and Hugo Banzer himself (1971-1978), was narrowed to that army figure who was urged to take the leadership: Natush Busch.

Repression

Perhaps in the not-too-distant future some loose ends will be tied up, such as, for example, the reasons Natush Busch named the then-director of the military academy, Garcia Meza, to be commander of the army.

The repression of 4 November which left a somber total of deaths (no fewer than 400) seems more attributable to the one who retained control of the tanks--Garcia Meza--than to one who was unable to persuade the congress to affirm him as de facto chief executive: Natush.

He got nothing in exchange for the great personal decline he suffered. And deep resentment took root among the young officer crops who had seen him as a loyal exponent of Bolivian nationalism.

The 16 days during which Natush sought to be head of government and the progressive deterioration of his charisma within the army paved the way for the coup which, months later (17 July 1980), would pit Garcia Meza against the also weak and isolated Lidia Gueiler.

Second lieutenants and captains who had supported the return to democracy and had also seen Colonel Natush fall at the hands of the politicians did nothing to prevent the complete disintegration of the whole democratic apparatus.

Silence

Natush slipped out of the Palacio Quemado to let Gueiler enter. He took refuge in El Beni, in his private home, and wrapped himself in a silence partially broken when he announced his opposition to Garcia Meza's coup.

Today Garcia Meza opened the way for him to reach the rank of general. If the present president felt a debt in his case, it was paid.

But could he perhaps be deflecting a demand from the army rank and file at a time when the cohesion of the military is vital for Garcia Meza?

8587

CSO: 3010

NATIONAL STEEL INDUSTRY NEARING REALITY

La Paz PRESENCIA in Spanish 23 Dec 80 p 1

[Text] Bolivia will begin steel production by the end of 1982, the Bolivian Iron and Steel Enterprise [SIDERSA] announced yesterday when it revealed that the final steps had been taken toward approval of the definitive iron and steel industry plans.

An official SIDERSA bulletin says that authorities of that company, following government instructions, decided to accelerate the final phase of the studies preceeding implementation of the national steel industry.

Last Friday they opened bids from companies interested in preparing the complementary study on iron mining and steel feasibility, which, according to previous announcements, should define the characteristics, terms, and costs of the steel plants, aside from studies already done by international consulting firms.

The official report says that SIDERSA technicians are now studying the proposals to narrow the selection and recommend the "best qualified" companies, so that the one to do the iron and steel study can then be named. The results of the first stage of the selection process are expected soon.

The complementary feasibility study has approved financing of about \$500,000, with funds from the IDB channeled through the National Investment Feasibility channeled through the National Investment feasibility Studies Institute.

Although the characteristics of the national iron and steel industry will be defined by that study, the government has already decided that establishment of the industry will be done by a "retrointegrated" process.

This means that a plant will first be built to produce rolled sheets of steel. Later, pelletization plants and steeling plants will be built, according to official statements.

Initial government plans are for the rolling mill to produce only for the national market, so its capacity will not exceed 100,000 tons annually.

According to authorities, the preparation of the complementary feasibility study and approval of the definite steel industry plans will come within a relatively short time, and production of rolled steel may begin at about the end of 1982.

The location of the rolling mill has not yet been determined.

However, it has been decided that the national iron and steel industry will be based on exploitation of the Mutun iron mines, located in the southwest part of Santa Cruz Department, where the reserves are estimated at 40 billion metric tons of iron ore.

8587

CSO: 3010

PLANS FOR TRACTOR ASSEMBLY PLANT DISCUSSED

La Paz EL DIARIO in Spanish 24 Dec 80 p 2

[Editorial by Robert Shaves Ford: "What Tractor?"]

[Text] At the beginning of the 1960's, talk began in Latin America, our America, about the need to protect and develop the incipient national industry in each country.

With this twisted economic view in mind, a whole protectionist picture began to develop, one which in later years was first inferred and later expressed as businesses "in emergency," that is, companies without technological or financial capacity or a consumer market. The result was that, in order to avoid the political, social, and economic misfortune caused by those protected companies--for good or ill--in the face of their imminent helplessness in the areas of production, technology, financing, and marketing, the government, each government, in the presence of reality, should subsidize them, that is, protect them again not with the idea of really developing them but in fact to prevent a worse problem. So, under government auspices were born what are called in slang the government's "white elephants"--those elephants which today, not surprisingly, astonish the public with what they consume, spend, and do not produce.

The protectionist theory for developing national industry as visualized by the dreamers has resulted in nothing but financial misfortune for the national treasury, deferred hopes for the people who believed in it and were deceived. Many government funds were diverted, funds which could have better gone for government investment to improve social conditions in each country, or lacking that, to aid large sectors of the people who have been deprived of the opportunities the modern world gives to man, to each man, with the advance of technology.

It seems that this is not understood in our country and, moreover, it even today clashes with the national reconstruction program.

There has been much talk recently about building a tractor factory in the country to satisfy the needs of this agroindustrial country through technology, financial conditions, and market.

- The idea is acceptable in theory. In practice it is not, when in place of "factory" they speak of "assembly plant." Nor is it when they speak of our own technology. What technology? Could our country perhaps have developed a level of scientific,

technological, industrial quality within the last 3 years to permit any confidence in the idea? We do not think so. Multinational companies such as Fiat failed in prior experiments in the same area. They went bankrupt even when protected by import duties.

Today, overnight, they aspire to install a tractor assembly plant, not a factory, and do so under the protection of the government. The protection of import duties. Why does it need protection? No one knows. An old Roman philosopher said "only the incompetent needs protection."

In an agroindustrial country such as ours, we believe that these utopias should be thoroughly studied before another "white elephant" is created.

We have left demagoguery and populism behind. We must think about a better future. That, we believe, is the basic spirit of national reconstruction.

8587

CSO: 3010

AFP PREDICTS HARDENING OF REGIME

PY131530 Paris AFP in Spanish 1152 GMT 13 Feb 81

[Report by Michel Trichet]

[Text] Rio de Janeiro, 11 Feb (AFP)--After nearly 2 years of flexibility in Brazil the unavoidable debate about the torture that the political prisoners suffered during the most oppressive years of the military regime today threatens to provoke a hardening of the armed forces' position in relation to the opposition.

The quickness and the vehemence with which the ministers of the three forces (army, navy and air force) this week officially answered the new accusations of torture that have been published in the press and which relate to events that occurred during the 1970's demonstrates that the regime flatly refuses to discuss this delicate situation.

Everything indicates that the government is not going to allow itself to become involved in a debate that would probably provoke cracks in the cohesion of the armed forces and at the same time place the country's prudent redemocratization process in danger.

This is not the first time that the matter of torture has been publicly debated in Brazil since the start of the regime's flexibility process, but during the past few days the Brazilian press, supported by details and a large number of proven events has given extensive coverage of the accusations that have been formulated by a former political prisoner, Ines Etienne Romeu, a former militant of the Popular Revolutionary Vanguard (VRP).

Released in 1979 due to the amnesty granted by President Figueiredo, Romeu found the private house where she had been tortured for 3 months in 1971 in Petropolis, close to Rio de Janeiro.

The former political prisoner has indentified several of her torturers, including a military doctor, who today is a psychiatrist in Rio de Janeiro, who was in charge of treating her wounds.

Romeu has also found the owner, a Brazilian of German origin, of the house. She has brought a civil liability suit against him.

Accompanied by her lawyer, former opposition deputy Marcelo Cerqueira, journalists and former political prisoners, Romeu visited the consulting room of the former military doctor and the house of the owner of the house-jail in order to carry out a face-to-face identification, which permitted her to confirm some of her accusations.

The extensive publicity given to this matter by several newspapers and the systematic nature of the investigation carried out by Romeu, with the support of the Brazilian Bar Association, provoked the energetic answer of the armed forces and in such terms that there is no doubt about their intention of not allowing the agitators and terrorists of yesterday to become accusers today.

In nearly-identically worded notes that they released, the ministers of the three armed forces asserted that there is a campaign going on with the intention of defaming the armed forces and placing obstacles in the path of the current democratization process.

The ministers lauded the role undertaken by the armed forces in the defense of the institutions and they implicitly indicated that the victims of torture were to blame.

In this respect, the position adopted by the military chiefs is a call for order directed at those who oppose the regime and who have the tendency to forget that the redemocratization process undertaken by General Figueiredo has always been the confirmation of the ideals of the 1964 military revolution and not a repudiation of them.

Notwithstanding, the military ministers stressed that the amnesty that has been granted by General Figueiredo is not unilateral and that it also applies to the acts carried out within the framework of the struggle against subversion and the guerrillas.

It is evident to observers of Brazilian affairs that this vigorous reaction of the three military ministers was agreed upon together with the country's highest authorities and that it is directed toward energetically stopping a campaign that could possibly provoke serious unrest in certain military sectors that still maintain strong opposition to the regime's becoming more flexible.

In effect, it is notorious that the amnesty--which was granted in 1979 to exiles and political prisoners and which ended up by being more extensive than even the opposition could imagine--was implemented with assurances given to the armed forces. One of these assurances refers precisely to the possibility of a revanchist attitude by the opposition and there was a commitment to stop it at any price.

The day following the publication of the notes of the military ministers, Romeu and her lawyer hurriedly stated that it is not their intention to defame the armed forces as a national institution, which is "worthy of the patriotic esteem of all Brazilians" and their objective is to protect society against the return of the cruelties practiced in the past.

The president of the Brazilian Bar Association, Seabra Fagundes, does not agree with the position adopted by the armed forces. In his opinion, the amnesty cannot be applied to the torturers, because they cannot allege that they were in conflict with the regime in power.

BRIEFS

FRENCHMAN ARRESTED, RELEASED TO EMBASSY--A communique issued this afternoon by the Social Communications Directorate reports that a French citizen who was arrested by police while carrying material that undermined national security has been handed over to the French Embassy. The communique notes that at 2230 on 12 February, during a routine check, the security force at Arturo Merino Benitez international airport arrested French citizen (Aguiles Oscar Blandeau), who was carrying papers that undermined national security with the objective of distortin; the Chilean image abroad. The communique states that as a sign of friendship and good will, the Chilean Government informed the French Embassy about the incident, and that a 1200 (Aguiles Blandeau) was put at the disposal of the French Embassy. [Text] [PY140015 Santiago Chile Domestic Service in Spanish 2300 GMT 13 Feb 81]

FRENCH UNION LEADER'S COMPANION ARRESTED--Santiago, Chile, 16 Feb (LATIN)--The Chilean Human Rights Commission today reported that it has submitted a writ of habeas corpus on behalf of Chilean Maria Eugenia Kachele, who was arrested here last Thursday as she was about to leave for Europe with French union leader (Achille Blondeau). Lawyer Gonzalo Toborga, in charge of the commission's international relations, said that he submitted the writ of habeas corpus in the Santiago court of appeals, and that as of now the whereabouts of Kachele are still not known. According to the lawyer, Kachele came to Chile as an interpreter for (Blondeau), leader of the French Mineworkers Union, more than 15 days ago. [Excerpt] [PY162004 Buenos Aires LATIN in Spanish 1913 GMT 16 Feb 81]

CSO: 3010

BRIEFS

KIDNAPPED JOURNALISTS RELEASED--Bogota, 15 Feb (EFE)--Journalists Jose Maria Romero and Gustavo Castro Caicedo, who were kidnapped yesterday afternoon by 19 April Movement (M-19) guerrilla group in Bogota, were released at approximately 0530 GMT Sunday. After their release, Romero, director of the local Colombia press news agency, and Castro Caicedo, staff writer for the newspaper EL TIEMPO of Bogota, were immediately interrogated by military intelligence in an effort to locate the center of operations the M-19 reportedly has in Bogota. A spokesman for the Administrative Department of Security (DAS) told EFE that the two journalists are at home and called the guerrilla operation a publicity stunt on the occasion today of the 10th anniversary of the death of guerrilla priest Camilo Torres Restrepo. Journalists Romero and Castro Caicedo refrained from comment on discussions with the guerrilla group that kidnapped them near their homes in central and northern Bogota. [Text] [PA151331 Madrid EFE in Spanish 1319 GMT 15 Feb 81]

BRAZILIAN, ISRAELI MINISTERS TO VISIT--Bogota--The visits by Brazilian President Joao Figueiredo and Israeli Foreign Minister Yatzhak Shamir to Colombia were confirmed by the Foreign Ministry yesterday. Foreign Minister Diego Uribe Vargas reported that Figueiredo is expected to arrive with a large retinue on 10 March and that topics to be discussed during the talks between the two nations will include the coffee policy, the war against narcotics, trade policy, studies for the preservation of the Amazon basin and the possibility of road network links between Colombia and Brazil. A cultural treaty which has already been ratified by the two congresses will be exchanged [as heard] with the Israeli foreign minister, who is scheduled to arrive in Bogota on 23 February. The belligerent situation in the Middle East will also be discussed, Uribe said. Questioned about the possibility of calling off the meeting of foreign ministers of the ANDEAN group, he said that it is still scheduled and will probably be held within 2 months. [Text] [PA132025 Bogota Domestic Service in Spanish 1730 GMT 13 Feb 81]

CSO: 3010

FALLEN GENERAL DIAZ ARGUELLES EULOGIZED ON ANNIVERSARY

Havana VERDE OLIVO in Spanish 21 Dec 80 p 57

[Article by Jorge Luis Blanco]

[Text] The Angolan people called him Maj Domingos Da Silva. In the hearts of the Cuban people he was Brig Gen Raul Diaz Arguelles Garcia, internationalist soldier: a man who belonged to humanity.

An example to follow for those young people from the Rural Preuniversity Institute which carries the name of the internationalist martyr, who today render him a well-deserved tribute on the fifth anniversary of his death in the People's Republic of Angola.

A disciplined and brave soldier, a capable and humble leader, a worthy representative of the Revolutionary Armed Forces, Raul Diaz Arguelles always had a very clear view of his mission in Angola, to which he gave himself with all the revolutionary fervor of which he was capable.

He knew that the Cubans there, in helping the Angolans, were defending the most beautiful of Marxist-Leninist principles: proletarian internationalism. He understood that there, in Angola, not only was the fate of a victorious revolution being decided, but also the cause of all the oppressed peoples of the world; that to repel South African aggression meant not only to consolidate the victory of this African people, but in addition to defeat the reactionary forces of Africa and establish very clearly that it was no longer possible for world imperialism to destroy just causes at its whim.

Raul Diaz Arguelles fought for Africa, for America, for Asia, for every corner of the oppressed world, as he had previously fought for the country of his birth, and he died, only to remain alive in the grateful hearts of millions of Angolans, of his family and his comrades in arms, in the thousands of youths who today, in schools like this one which bears his victorious name, follow the magnificent example of his character and his faithfulness to the revolution, the party and our commander in chief, Fidel Castro.

"There are men who even after death shine like the aurora."

Today these prophetic words of our national hero, Jose Marti, attain their enormous significance in this Preuniversity Institute which honors the memory

of the internationalist martyr. They are present in every classroom, every student, every teacher; in each new goal outlined by these young people on whom the rays of the new light shine.

"Our center," said student Sonia Sanchez Robau, "carries the glorious name of Raul Diaz Arguelles. It is the legitimate aspiration of each of us, students and workers, to be like him: firm, brave, generous, capable, helpful in a lifetime of work and in honorable death. For this reason we must strive in our studies, in our participation in agricultural work, in the cleaning and beautification of the center and in the care of the social property placed at our disposal by the revolutionary state to imbue ourselves totally with the moral values of Raul Diaz Arguelles.

"For that reason," she added, "in this solemn commemoration of the fall of the revolutionary hero, of the internationalist soldier, our greatest tribute must be to commit ourselves to a high promotion rate based on quality, to the completion of our student duties in the fields and in the center, to keeping our school clean and beautiful, to rendering tribute by our daily actions to the soldier who was sent to Angola by our party and who so worthily represented it there."

They are keeping their promise. The results are here:

During the first evaluation period of the current school term, they achieved a promotion rate of 93.8 percent; 95 percent joined in productive activities, a 96.8-percent compliance with the norm; 100-percent completion of the programs and a satisfactory teaching activity was achieved by those students who teach classes on the lower levels and in secondary schools in Melena del Sur Municipality. In addition, as if that were not enough, they achieved 110 percent in signing up youths for the 20th Contingent of the Manuel Asunce Domenech Teaching Detachment and received fourth place in the province in the overall intercenter emulation.

They are keeping their promise and will continue to do so.

Just as Raul Diaz Arguelles did.

Major Domingos Da Silva to the world.

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CSO: 3010

ROLE OF UJC IN BUILDING NATION REPORTED

Havana JUVENTUD REBELDE in Spanish 7 Dec 80 p 6

[Article by Marcos Alfonso]

[Text] Who are these young people?

It would take several newspapers to present them or to speak of their accomplishments.

Their names are well known and mentioned throughout the island from the red earth of the Moa mountains to the green valleys of Vualtabajo.

They are an army of almost 10,000 men upon whom has fallen the honor of being in the front line: the youth national crash projects sector.

Anyone who has had the privilege of visiting any of the projects being built by these novice construction workers doubtless has living examples stored in his memory of their self-sacrifice and worker heroism.

Long, 2-day periods "mixing concrete," hundreds of thousands of hours of voluntary work contributed, renunciation of the highly prized Sunday day-off: these things and many more can be appreciated at such sites.

Cuban youths have completed a series of these projects: the sugar mills Batalla de las Guasimas in Camaguey and 30 de Noviembre in Pinar del Rio; the Moa support base; the third acid line in the Pedro Sotto Alba plant; the bridge on the Moa-Baracoa road; and the port in the nickel region, as well as two lines at the Carlos Marx cement factory in Cienfuegos.

Novice construction workers are now busy completing the paper and pulp plant in Sancti Spiritus; the glass container plant in Las Tunas; they are expanding the Rente thermoelectric plant in Santiago de Cuba and the cement plant in Mariel; they are building a new nickel complex and are continuing with the renovation of the plant already in existence, both in Moa.

They are building two new sugar mills: the Rio Cauto in Granma and the Rodas in Cienfuegos; they are involved with the Moa dam complex (this project is being built in the heart of a mountain); and the vast housing program in the nickel region of Cuba.

They are also tackling the most difficult project of all, not so much because of its technical character but because of its great length: the Central Railway.

The revolution has placed in the hands of the young generation of Cubans a group of projects which are very important for the proposed development of the nation.

Not Everything Is Rosy

Of course, this enormous program has not been without problems. Technical complexities, for example, have impeded the start-up of the Mariel cement plant; the lack of certain vital resources hampered smooth operations in the construction of the Rio Cauto sugar mill.

Natural phenomena must be added to those problems. Rain has had a negative impact on the building of the Moa Dam.

These, of course, are objective factors.

In this category of problems we should not fail to include those who are related to man: lack of administrative assertiveness, disorganization, absenteeism, nonproductivity, to list the principal ones.

Nevertheless, in spite of these difficulties, the projects have progressed; and many of them are almost completed.

The Results

Throughout this 5-year period which is almost ended, crash projects have produced worthwhile results

These results are reflected in the following statistical table of youth participation in this task:

<u>Youths</u>	<u>Industrial Projects</u>	<u>Central Railway</u>
Nonmembers	3,666	1,630
UJC members	3,128	1,196
Total youths	6,794	2,826

The past 5 years have served to consolidate the movement which has its own personality: emblem, banners and an emulation plan which is checked every 6 months.

The establishment of Combatant Brigades Ready for Production, whose accomplishments in the labor sector have been inscribed in the records of each project. These collectives, in addition to their customary work, are characterized by resolute performance of the most difficult tasks which appear in the course of construction activities.

The UJC [Union of Young Communists] has also brought about more systematic and prioritized attention to these collectives, as well as an increase in political work.

Toward the Future

Most of the crash projects still under construction have completion schedules ranging from 1981 to 1983, and this is a challenge for those working on them.

Some UJC objectives are: to ensure that these youth collectives become an increasingly dynamic force in the crash projects sector.

To stabilize the flow of material resources; to continue improving the living conditions of the young people by providing them with cultural and sports activities and other facilities to keep them occupied during their free time.

To increasingly strengthen emulation and improve the incentive system for youths working on these projects; to consolidate the movement of the Combatant Brigades Ready for Production as a vehicle for mobilizing the entire youth sector for more difficult tasks.

And most important: novice construction workers should continue to give that much of themselves.

The young generation of Cubans involved in this task will continue to give its best effort and, although their names may never appear in the newspaper, their sweat will have impregnated every wall, every millimeter of the project on which they are working.

It does not matter how far they are from home or how difficult the conditions may be in some cases; the difficulties to be overcome do not matter: Cuban youth, aware of their role in the economic development of the society of tomorrow will continue to say: "Present!"

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CSO: 3010

WESTERN ARMY CHIEF HAILS MILITARY DISCIPLINE

Havana GRANMA in Spanish 15 Dec 80 p 3

[Text] Havana (AIN)--Brig Gen Ulises Rosales del Toro, chief of the Western Army, said that military discipline has been a decisive factor in achieving high levels of combat readiness.

Rosales del Toro, who is also a member of the Party Central Committee, spoke here during a military review in honor of the 10th anniversary of the Western Army's establishment which will be celebrated on 18 December.

Also presiding at the review were: Brig Gen Rolando Kindelan Bles, Col Roberto Viera Estrada, both members of the Central Committee, other senior and junior officers and Soviet military specialists.

The speaker said that many tasks had been completed by the combatants who are demonstrating the spirit of struggle of the Cuban people in defense of their sovereignty, peace and socialism.

He added, "Knowledge, skills and experience have been accumulated to the level of the combat readiness we possess today, with the organic structure needed to carry out our mission with the arms and technology required by modern combat."

The chief of the Western Army emphasized the assistance provided by the Soviet military specialists and said that their instruction was determined, always restrained, unselfish and in the spirit of communism's attitude toward life.

When he mentioned the tasks carried out by the combatants in these 10 years, he underscored the completion of internationalist missions in Angola and Ethiopia; and, among those who had died in defense of the freedom of other countries, he cited Juan Vitalio Acuna (Vilo), Gustavo Machin, Raul Diaz Arguelles and Antonio Sanchez Diaz (Pinares).

Prior to Rosales del Toro's speech, a group of officers was promoted to the next higher rank in recognition of their performance of duty.

The review began with a military spectacle in which the combatants gave a demonstration of artistic exercises and combat skill.

The group which performed the military spectacle, which was made up of combatants of various units of the army, placed first in the military review conducted recently in honor of the 24th anniversary of the FAR [Revolutionary Armed Forces].

MEDICAL AID, COOPERATION WITH ETHIOPIA DISCUSSED

Havana CUBA INTERNACIONAL in Spanish Dec 80 pp 8-9

[Article by Victor M. Carriba]

[Text] Cuban medical cooperation with Ethiopia has continued uninterrupted for 3 years, and what was, in July 1977, a group of 32 doctors, nurses and technicians from the Antillian island working in Ethiopia, today comprises a veritable contingent of almost 300 men and women dedicated to the improvement of the health of the Ethiopian people.

When those 32 Cuban workers arrived in Addis Ababa, it was impossible to imagine what that small nucleus, which began to work in the regions of Gondar (in north-western Ethiopia) and Sidamo (in the south), would come to represent, qualitatively as well as quantitatively, in just a few years.

At that time Ethiopia had just overthrown a feudal regime and was taking its first and difficult steps in a genuine popular revolution. Its heritage was sad, very sad, and the health situation in the country, truly disastrous, was aggravated at that time by the advance of invading forces from Somalia, which were finally expelled in 1978.

A State Without Health

Decades of feudal domination, according to statistics compiled in 1976 and now contained in official documents of the World Health Organization (WHO), left the following health situation--if one could call it that--in the country:

--ninety-eight percent of the population (estimated at 30 million) was drinking water from contaminated wells, with the resulting diseases caused by parasites;

--seventy-five percent of the national territory was infested by malaria;

--nearly 5 percent of the people had tuberculosis, and nearly 1 percent were infected with leprosy;

--five percent of the children under 7 years of age showed positive symptoms of yellow fever;

--more than 60 percent of the child population between 1 and 3 years were completely malnourished.

But in addition to all this, the statistics confirm that more than 40 percent of the population had to make a 3-day journey to reach the nearest health-care unit, and only 15 percent saw a doctor once in the course of a year.

Furthermore, in 1976 this country of 1,225,000 square kilometers had only 84 hospitals with 8,400 beds, of which 45 percent were in the cities of Asmara, Harar and Addis Ababa.

The situation was also marked by a scarcity of doctors: there were only 304 doctors for a population of 30 million inhabitants. Of that number, 204 practiced their profession only in the hospitals in the three cities mentioned. The doctor-patient ratio was 1 to every 79,000, which meant that nearly 80 percent of the people had no access to health services.

This picture of the state of health in Ethiopia, in particular, and in Africa in general, was the first impression received by the Cuban medical collaboration teams which arrived in Addis Ababa one day in July 1977.

Initial Plans

In spite of the imperative need to confront that situation immediately, the first task of most of the first groups of Cuban doctors in 1977 had to be diverted to the battlefield because of the invasion by Somalia, and the Cuban specialists were there. Almost all those men and women graduated at that time as battlefield doctors. A new experience--a prelude to other, innumerable ones.

With the expulsion of the invaders and a relative climate of peace, the Ethiopian government began to implement its initial plans for the development of public health, in which Cuban collaboration played an important role.

The arrival of new groups, expansion of the work to the interior of the country, the organization of the contingent with professionals with broad areas of specialization and the great spirit of cooperation and identity achieved with Ethiopian health workers were other elements in the development of those nearly 3 years of joint work.

"The Cuban doctors were able to offer their services at the battlefield when Ethiopia was attacked by the reactionary forces of Mogadiscio. On some occasions the members of the Cuban medical group had to remain on duty longer than the required number of hours. In spite of all this, they continued to be happy and vigilant, giving their services freely." These are the words of Tefera Wonde, Ethiopian health minister, referring to the work of the people from the Antillan island.

Cuban Contingent

At this time the Cuban medical contingent in Ethiopia is comprised of 289 health workers, of whom 126 specialists and the rest nursing or technical personnel.

The specialties included in the contingent are: epidemiology (2), health planning (1), general medicine (46), general surgery (18), cardiology (1), general pediatrics (19), obstetrics and gynecology (15), radiology (3), neurology (1), orthopedics (3), anesthesia (4), ophthalmology (4), reconstructive surgery (2), anatomy-pathology (1), dermatology (1), otolaryngology (1), dentistry (3) and neurosurgery (1).

In addition, the contingent has 16 general nurses, 17 operating room nurses, 27 instrument specialists, 14 pediatric nurses and 9 obstetrical nurses, as well as 26 clinical laboratory technicians, 27 x-ray and 3 anesthesia technicians, and 1 in electrocardiography and 1 in ophthalmology.

Over and above these data, and not included in the foregoing figures, there are five Cuban professors of medicine who have been teaching classes since the beginning of this year in the Addis Ababa University School of Medicine. The Cuban medical personnel are divided into 27 groups which work in 12 of the 14 Ethiopian provinces. Each group is organized under a leader.

More Cooperation

The needs of Ethiopia in the development of its health plans and the actual situation of public health have led to an intensification of Cuban medical cooperation with Ethiopia. This intensification is more qualitative than quantitative and is reflected in the most recent steps taken by the Cuban medical contingent.

To be more useful and as proof of the true understanding of health problems in this African country, the Cuban medical collaborators have decided to extend their work and their sojourn on Ethiopian soil for another year. However, this joint work is not limited to mere medical attention to patients. It has an educational and scientific angle, which at the same time permits the professional improvement of the Ethiopian personnel and of the Cuban doctors themselves.

At the workshop, the first of its kind held in this ancient country, 66 scientific works were presented in the specialties of pediatrics, medicine, clinical laboratory, obstetrics and gynecology, nursing, surgery, reconstructive surgery and burns.

The works were based on the experiences of the Cuban doctors in the places where they worked in Ethiopia and ended with a long list of recommendations for health development in the country.

This picture of Cuban medical cooperation with Ethiopia is completed with the attention the contingent gives to all Cuban personnel who are part of the civilian cooperation mission and to a group of 30 Cuban youths who are studying the Amharic language.

There is a great deal of work, but the experiences are even more important. At the same time they are helping people, they are learning things impossible to discover on other, more developed continents. Africa needs that disinterested and frank cooperation which to date has shown itself to be the most beautiful and useful way to confront the conditions which today mark this continent with the sad statistics of underdevelopment, poverty and disease.

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CSO: 3010

FOREIGN STUDENTS ON ISLE OF YOUTH NOTED

Havana CUBA INTERNACIONAL in Spanish Dec 80 pp 10-11

[Article by Ana Maria Ruiz]

[Text] Throughout the years, the Caribbean has offered abundant evidence of the historical and cultural affinity of its nations. Now, with the presence of a large number of Caribbean students in Cuba, that affinity is becoming, in addition, a fruitful cooperation.

This cooperation, insofar as education is concerned, is particularly important in higher education, where 267 scholarship students from Dominica, Grenada, Guadeloupe, Guyana, Jamaica, Puerto Rico, the Dominican Republic, Santa Lucia, Barbados, Antigua, Belize and St. Vincent are enrolled.

In those youths the Caribbean today has future professionals ready to devote themselves to the common goal of their people: to emerge from underdevelopment, definitively leave behind centuries of colonialism and create better societies.

And that was the general opinion heard in the dialog with Caribbean students taking different courses in Cuba's higher education centers.

"My country's economy," explained agronomy student Albert Bellot, from Dominica, "is based on agriculture and depends principally on the cultivation of bananas. We must develop production to reduce imports and direct those resources to other economic sectors. Naturally I want to cooperate in that effort with the knowledge I am acquiring now."

Veterinary medicine student Patrick Guy, of Guadeloupe, said: "Individual study is very important to overcome the language difficulty, but we receive a lot of help in this from the Cubans, from professors and classmates as well as from those we meet during our free time and during visits to places of interest throughout the country.

"In Guadeloupe," he said, "there are very few specialists in veterinary medicine, and on the other hand there is a great need to promote the livestock industry, a field in which Cuba has accumulated valuable experience."

Among the young Caribbean students who are being trained as medical doctors, Renisford Beckford of Jamaica had been in Cuba the longest. He said that "the duty of the new doctors is to attend to the needs of the people, not only in the cities, which offer the greatest economic advantages, but in the rural areas, traditionally isolated from health services in general."

The Jamaican youth praised the effectiveness of the instruction he is receiving and told an illustrative anecdote: "During our vacation in our own country after finishing the second year of the course, the students who were studying in Cuba served in some hospitals, and everyone there was impressed by the knowledge we had acquired and by our grasp of basic techniques."

Max Andrex, of Dominica, who is studying for his degree in geography, considers "particularly effective the combination of theory and practice on which Cuban education is based," and he said with regard to his specialty: "Geography is a very important science for any developing country, since it is the basis of many social and economic studies and research projects." Max wanted to express another opinion: "A foreigner has no difficulty in becoming part of Cuban society; this is demonstrated by the welcome given to us by all those with whom we have had contact."

Future agronomic engineer Dale Marian Francis, from Grenada, said he is "satisfied by the depth with which subjects are approached, as well as by the valuable contribution of the seminars, in which students bring up and discuss topics treated in class and enrich them with contributions from each one's personal research into the subjects."

"In general," he added, "assignments are studied thoroughly and in great detail, while at the same time the knowledge is constantly being put to use."

Another aspect emphasized by the Caribbean students is the aid they receive from Cuban professors in overcoming the language barrier. In this respect, brothers Ninfa and Jesus Ken, medical students from Belize, said that their teachers show that they are interested in seeing that their explanations are fully understood.

"Each professor also becomes a Spanish-language professor when he speaks to us, and this is very good for us," said Jesus. To which his brother added: "Also, they are always willing to clear up any doubt we may have, and for that purpose they give us some of their free time, a thing we see as one more example of brotherhood."

These students receive from the Cuban Government a monthly personal stipend of 60 pesos (about \$95) for their expenses, a sum which, according to them, they invest almost entirely in recreation, because the scholarship provides free meals, medical attention--including prostheses and glasses--books and study materials.

The youths, who come from various places in the Caribbean, find familiar features in the climate and vegetation, as well as in the character of the people.

Alcott Hamlet of Dominica, and Alban Phillip of Grenada, medical students, explained that they go about the city, take excursions to other provinces and attend parties with their Cuban friends and visit their friends' homes "with such good relations that we feel as if we were in our own country."

The traditional hospitality of the Cuban people is highly valued by these young Caribbean people, whose presence in Cuba confirms the words of Alejo Carpentier in his lecture on the Caribbean in Havana in 1979 during CARIFESTA [Caribbean cultural festival]: "There has always been among us a yearning for mutual understanding within our common aspirations."

8735

CSO: 3010

EXILED CLITANDRE, HERARD WRITE LETTER TO NEWSPAPER

Port-au-Prince PETIT SAMEDI SOIR in French 10-16 Jan 81 pp 5, 7-8

{Text}

New York 25 December 1980

To Mr Dieudonne Fardin

General Manager of PETIT SAMEDI SOIR

Port-au-Prince, Haiti

The events of Friday 28 November, which international opinion considers as the most spectacular since 1971 have deeply affected us. They cut off at the same time not only a press organ which for nearly 10 years has been conducting a harsh battle for social justice in the Haitian community, but also a whole professional group that was experimenting in a new journalism. They also cruelly strike at our families who, despite the constant worries arising precisely from the brutalities of the past, had confidence in the government which appeared publicly to be taking the road of liberalism and legal protection of its citizens.

Contemporary history of Haitian democracy has certainly been filled with pitfalls. That however permitted us to undergo two interrelated experiences. The first concerned Haitian political and social reality. The second was connected to the practice of journalism: that is, to inform public opinion "objectively" about what is happening in the city. In the first case, after long years of anguish and insecurity the government in 1971 began a liberal policy which gave rise to all hopes. Some ascribed this detente to an international situation whose spearhead was the respect for human rights and freedom of opinion. While some argued that the liberalization was the proper initiative of an authority that was sure of itself and of its popularity, others argued that the wave of popular demands was the cause of what many called the "Realpolitik" of the regime of April 1971.

One thing is certain--that is the political situation had "relatively" changed in Haiti: there was the birth of an independent press, the emergence of political parties, the birth of Human Rights groups, the reappearance of professional and trade union associations. All that showed that the Constitution of this country was no longer a "scrap of paper." We were learning to honor and respect it.

In the second case, aware of this next context, we have operated within the framework of that legality and ethics which constitute the force and the nobility of our profession. Crowding along this way were the colleagues of Radio Haiti Inter, Radio Metropole, Regard, Inter-Jeunes...who represented the new aspect of Haiti's press.

Dear Fardin, we chose our path fresh from the university. We threw ourselves into the battle along with you. And it is with you that we patiently learned the trade of journalism. Today, in all sincerity, although thrown into a country not of our choice, we salute your competence as journalist, and your integrity in [words missing in text].

At the PETIT SAMEDI SOIR we saw events which could have discouraged us had we not believed that this country needed honest men, young conscientious persons and of a responsible generation engaged in the struggle for the uplifting of an under-developed nation.

We stoically accepted carrying on our shoulders the mutilated cadaver of Gasner Raymond. We have been threatened, resisted dissident moves in our ranks and with our relatives lived a quasi-permanent insecurity. But we could not keep silent on the dark future of the worker, on the poignant drama of our brothers swallowed up in the Atlantic.

No! We could not remain silent!...

We have spoken the "truth" and we do not know the meaning of subversion. The police raids of the night of 28 November last disconcerted us. Working within the framework of legality and respecting other persons, we did not expect to be pushed around, struck, thrown into prison and set off for a foreign country. If we still take the responsibility before "history" to raise our voice, it is for the purpose of denouncing the treatment inflicted on us and for the fate of our colleagues. Like us, they are "banished" to the New Work cold and are very much worried over the fate of those still in prison. Whenever it was possible they all objected to arrest without a summons, objected to the bad prison conditions and to the prolonged detention, beyond the period set forth in the law. Now they are the victims of that state of affairs. Every responsible patriot has the duty of bringing the responsible authorities to consider their case in terms of the requirements of the Constitution.

It is in this sense that we interpret the courageous position of monks and nuns of the religious orders of Haiti made public last 5 December:

"If their activities were of a demoralizing, clandestine or subversive character, it would be in conformity with the laws of the country for them to be objectively accused and that they be permitted the right to defend themselves...."

These regrettable events caused an outcry in international opinion. After the articles in the NEW YORK TIMES, the MIAMI NEWS, the MIAMI HERALD, the WASHINGTON POST, MONDE...there was the very serious intervention of 71 members

of American religious orders, including 12 bishops, which was published on page one of the TIMES. It calls the attention of the new American political administration to "the use of torture and political oppression" in countries such as Haiti, South Korea and El Salvador. The present international searchlights are focused on a country which began such an enriching democratic experiment. It is up to the government of Port-au-Prince to prove, if it wants, that torture and oppression no longer exist in Haiti.

Dear Fardin, it is hard to be far from ones native land. Not because we suffer physically from it, but because of the fact that we were forced to leave our editorial office, our place of work and our homes where our families must suffer from our absence. We know that you have the courage needed to see to it that the PETIT SAMEDI SOIR remains what it always has been: an independent, objective review, worthy despite an outside propaganda which intentionally seeks to darken it. We reaffirm our attachment to this weekly and our faithfulness to its thousands of readers who each week from the gallery of the Boulangerie St. Marc to the corner of the little Nazon street buy its pages of "Truth." It lights of Times Square, the snows of Broadway, the buildings of the Great City remind us of another world. And another "Truth." But there is no place for despair in the hearts of those who know they still have courage, a country and an ideal of liberty.

Fraternally,

Pierre Clitandre
Editor in Chief

Jean-Robert Herard
Deputy editor in chief

Note From The Editor

My dear friends,

Your courageous and humane letter is an act of faith. There is no lack of stumbling blocks on the long and difficult road leading to true democracy. It is only that I was far from thinking that one day, coming back to the editors office of the PETIT SAMEDI SOIR, I would not find you there. And that circumstances would force you to write, ever so fraternally, from exile. One day, we shall talk about it again.... It was a harsh blow. And only your return to your native country can fill the void created by your absence. I recognized you completely through your letter which is a hymn of faithfulness to that struggle which we have carried on for 10 years, for love of journalism and of "Truth," so that the name of Haiti may be enhanced.

Clippings from a certain Haitian opposition press edited abroad which have reached me accuse me (I find with consternation) of all the sins of Israel. I should like to ask you, my dear friends, to continue denying these lies which seek nothing other than to cast you, without reservation, into the opposition camps.

Remain "independent" as you have always been. I am certain that the truth will illuminate your innocence.

I am with you, heart and spirit, my dear Clitandre, my dear Herard, and assure you of my devotion and of my firm friendship.

Dieudonne Fardin
General Manager of PETIT SAMEDI SOIR

Port-au-Prince 29 December 1980

9772
CSO: 3100

BRIEFS

LOPEZ PORTILLO, REAGAN TO MEET--President Jose Lopez Portillo and Ronald Reagan have agreed to meet in Tijuana and San Diego on 27 and 28 April this year to exchange views on bilateral and regional matters. The Mexican foreign relations secretariat said that this was decided on in principle during their meeting on 5 January 1981 in Ciudad Juarez. [Text] [PA140353 Mexico City International Service in Spanish 0300 GMT 14 Feb 81]

IDB FISHING LOAN--The IDB has granted a loan of \$80 million to Mexico to expand the country's fishing industry, with an eye toward improving the diet of lower income Mexicans. [PA151407 Mexico City International Service in Spanish 0300 GMT 14 Feb 81]

WORLD BANK LOAN--The IBRD has granted Mexico a loan of 3.51 billion pesos for modernization of the national railroads. [PA151407 Mexico City International Service in Spanish 0300 GMT 14 Feb 81]

INVESTMENT FUND WITH ISRAEL--Mexico and Israel have formalized the establishment of a joint investment fund to promote the establishment in Mexico of joint enterprises with Israeli technological and financial support. The fund was created with the endorsement of the (Bank Apolin) of Israel and the National Financial Corporation of Mexico. [PA151407 Mexico City International Service in Spanish 0300 GMT 10 Feb 81]

LOCUSTS INFESTING YUCATAN STATE--Merida, 13 Feb (EFE)--Locusts have invaded almost all of the Mexican state of Yucatan, Magdub Mendez, representative of the secretariat of agriculture and water resources, reported here today. Mendez explained that exterminators are working on more than 25,000 hectares trying to stop the insects from advancing. He said that even though the exterminators are using all their equipment, the locusts have not been stopped. He has asked the federal government for flamethrowers, insecticide sprinklers, vehicles and helicopters to fight them. Losses, which have not yet been estimated, will be huge and could cause a serious problem for Yucatan's farming economy. The state is some 1,200 km from Mexico City. [Text] [PA141249 Madrid EFE in Spanish 0305 GMT 14 Feb 81]

'HONEST' TONE OF REAGAN ECONOMIC SPEECH NOTED

PA090010 Panama City CRITICA in Spanish 7 Feb 81 p 22

[Article by Rafael Nunez Zarzavilla in "Political Chess" column: "Reagan, His Measures and Our Countries"]

[Text] We believe that we and many other Panamanians closely followed U.S. President Ronald Reagan's announcement about the drastic measures and cuts which his administration will have to implement in order to find the feasible solutions to the galloping calamity of the U.S. economy.

We followed his speech closely due to the reality which we cannot underestimate and which involves the degree of dependence which ties our nation, as a developing country, to the northern power. Our role as a partner, due to our geographic position, in the interoceanic waterway and the subsequent treaties also helps to make up this reality which made us listen to the speech so closely.

The dramatic speech by President Ronald Reagan can be described as realistic because, obviously, such hard-hitting facts leave no room for any other alternative, we must honestly admit. As we say in this part of the world, you must grab the bull by the horns.

In this sense, our Spanish speaking countries, and particularly our own country, which are still trying to set themselves free from the colonialist dependency and which naturally have a close and potentially developing and monetary relationship with the United States, logically feel affected by the decisions and measures that President Reagan will start to take to balance his country's economy and budget. It is said in a mocking manner that when the United States catches a cold, our countries get pneumonia.

The task of the American rulers and people is to seek alternatives and solutions to the U.S. economic problems. That is their sovereign right. How much these decisions affect the countries in our area of the world is another problem which we must consider. Naturally, these decisions will have an impact on us, as we have already observed in the tremendous increases in the value of the dollar, the drop of other European currencies and a much less speculative trend of gold.

Some have even cast doubts on the Republican President's ability to adopt economic and social decisions and policies, and they argue that the majority of congressmen will try to block these measures. This is naturally possible, as part of the

political struggle which is characteristic of democratic systems, where the political, social and economic groups organize their feelings in political parties.

But the basic point is that, as far as our nation and the well-being of our people are concerned, there is something in the attitude of U.S. President Ronald Reagan that should not be ignored: We are referring to his honest conviction to face all the Americans and to tell them the honest truth of his country's economic situation, the sacrifices they will have to make, how and why. And in addition to presenting this critical picture, he guarantees firmly that it will be enforced by all groups in his country.

Reagan is facing an angry bull, but as we say: He will have to grab it by the horns. The key then, is, determination, ability, justice and firmness for each and every one in his nation.

CSO: 3010

COLUMNIST COMMENTS ON REAGAN ECONOMIC SPEECH

PA082331 Panama City LA REPUBLICA in Spanish 6 Feb 81 pp 15, 12

[Column by Joaquin Beleno: "Reagan's Shouting"]

[Text] A few months ago, (during the stirred-up election activity in the United States), Omar Torrijos referred to the lack of leaders in that nation. Now, in view of the world's true situation, there is always a commentator with international prestige who will note that today's world is characterized by the absence of leadership in all the great nations, including the socialist countries.

This morning, U.S. President Ronald Reagan said that the United States (and why not say it, the world) is going through a crisis that is worse than that of 1930. His statement sounded like a desperate cry of pain aimed at creating a state of urgency in the economy of the United States and of the whole world.

Panamanians may read this as a scoop, but the European countries are preparing themselves for a freezing of salaries. The measure is about to be applied in Belgium, the Netherlands and Luxembourg. It is being said that other European countries--including Italy, where strikes are a daily occurrence--will follow suit this year.

The United States and the European states are also preparing to declare an aggressive blockade against the importing of Japanese cars, thus bringing to an end the much heralded "free world trade."

The currencies of all the big nations are preparing for a struggle against the high interest rates produced by the U.S. dollars, which are reducing, among other things, the value of gold in the world market.

German commentators are saying that the days of plenty are over and the lean and hungry years have arrived.

There is every indication that traditional economic molds have been totally broken and that neither the socialists nor the capitalists have a complete and comprehensive solution for this world crisis. The worst tragedy is that men with ideas pointing to a new path have not appeared.

Ronald Reagan's shout of economic urgency from Washington yesterday must have been felt inside and outside of all the banks of the world, including our

international banking center. We will not dare say what will be the consequences of Reagan's shout, but they will be what Reagan said: sacrifices and patience.

It is to be expected that this will be a turbulent year. There should not be too many promises (I would say none and I would tell the Panamanian people about the true world situation and the state of urgency of the U.S. economy) although those of us who lived through the 1930 crisis can say that the terrifying crisis that saw government employees being paid with bonds to be used at pawn shops has not yet arrived in Panama.

CSO: 3010

COLUMNIST SCORES ATTEMPTS TO GAIN REAGAN SUPPORT

PA300025 Panama City LA PRENSA in Spanish 28 Jan 81 p 2-A

[Article by Telma King H. in "Analysis" column: "Domestic Peace"]

[Text] As soon as Ronald Reagan's victory in the U.S. elections became apparent, the local dictatorship began, and is carrying on, two simultaneous campaigns to get from the new northern chief of state the same accommodation that existed during the Carter term: I, a general who has only waged battles against the Panamanian people, guarantee you the approval of any amendments or arrangements that may interest you with regard to the interoceanic waterway and commit myself to maintaining peace, just as the gringos understand it, with regard to the underdeveloped; in exchange, you are responsible for the continuation of my regime, contributing the indispensable money, arms and moral support.

The first of these campaigns refers to alleged violations of the treaties which "place" us "under the protection of the Pentagon." With it, an attempt is being made to create the impression that there will be a protest in the Canal Zone unless the "top leader of the revolutionary process" calms down the people; and he only "will control" the indignant masses if the northern president respects the aid agreements made with his predecessor.

The second campaign, relative to the marvelous "domestic peace" we Isthmians enjoy, is a logical outcome of the other. In order to maintain this social peace, in the face of possible attacks because of the violations to the pacts signed at the OAS headquarters, the presence of the "prestigious revolutionary leader" is required at the head of the nation's destinies.

Each time a spokesman of the dictatorship, whether it be the tenant of the "Palace of the Herons" [the presidency], the general himself, an aligned leader or student leader, a temporary scholarship holder, an official of the Social Security Institute or anyone else who holds a news conference or in an event of any kind, there is the ever-present allusion to the "domestic peace" that reigns in Panama, in contrast with the patriotic struggles of other sister nations.

What the gentlemen of the dictatorship and their favorites never mention is what this often-mentioned domestic peace consists of. They do not explain that ours is the peace of tombs, although peace does not exist even in the cemeteries since nobody knows the final resting place of the remains of Floyd Britton, Encarnacion Gonzalez, Jorge Falconet, Heliodoro Portugal and so many other dead persons...

This domestic peace is the one that allows the comptroller of the dictatorship to publicly transfer funds for the triumphant return of the "leader," without the attorney general, the prosecutors or the judges moving a muscle.

It is the domestic peace that prevents Panamanians from demanding their rights, such as knowing what the Social Security Institute's funds are spent on; the price of the trips made by natives and foreigners in air force planes; why elections have not been held for 12 years.

It is the domestic peace of the storm troops that break up the meetings of Social Security Institute members and retirees so that the dictatorship may continue to dispose of the dues paid to that institution as though it were money inherited from rich relatives.

It is the domestic peace that shuts the mouths of four radio commentators because these refuse to applaud the extravagancies of the regime.

It is the domestic peace that guaranteed the approval of the treaties repudiated by the people.

It is the domestic peace that has sunk us in ignominy since 11 October 1968.

It is the domestic peace that permits the continuous switching of favorites in public posts; the minister of foreign relations exchanges posts with the president of the Panamanian delegation at the United Nations, and so forth...

It is the domestic peace that pushes us toward the abyss from which we will not be able to emerge for many decades after the dictatorship has gone.

It is the domestic peace any Panamanian will exchange for Dante's inferno, because the latter is an illusion and the other is so real that all of this land's children feel its overwhelming weight in supermarkets, upon reading the officialist press and, above all, in the demoralization that is rampant at all levels in government life.

CSO: 3010

COLUMNIST URGES REAGAN TO PROMOTE COEXISTENCE

PA032335 Panama City MATUTINO in Spanish 2 Feb 81 p 6A

[Article by Rafael Angel Murgas: "A Historical Question"]

[Text] Ronald Reagan's term as president has begun with a provocative historical question.

Major decisions are expected from the Washington government to outline a safe path for the world.

This historic moment demands a change that will break the smothering routine of communism and anticommunism and introduce a new political method that will do away with the threats of those atrocious wars that destroy the moral principle of coexistence.

The political picture of El Salvador is degrading to the civilized people of the world. It is inexplicable that the countries of America are dividing into two separate groups to supply weapons to the opponents so that they can destroy one another. We are not dealing with the defense of a holy doctrine that is being challenged by heretics. What is causing this wave of crimes in that noble Central American republic is a frenzy of hate and a thirst for vengeance.

War is being used to cover up the inabilities of the governments. They have no wisdom to rule, but they do have the capacity to kill.

The historical question is whether the United States can do nothing but remain indifferent for another two decades. If so, the world would witness horrible massacres on all the continents, and innocent people who don't know the meaning of either democracy or communism would die.

Now is the time to propose a new thesis of worldwide political reconciliation.

Here in Panama there is a basis for the development of this principle of coexistence. Prominent U.S. politicians became aware of this and made sure that the two countries would give the world an edifying example through the Torrijos-Carter treaties.

On the American continent there is an atmosphere which is conducive to a desire for improvement that will move our peoples toward more respect for justice and the lives and freedom of all men on earth.

The United States has the power and the authority to become the proponent of a renewing political action during this decade. But time is short and what must be done must be done in this decade, because later on it will be too late.

U.S. President Ronald Reagan should take a long look at Panama's unionist [unionista] destiny. He would then obtain valuable inspiration for a top-level policy of peace and human coexistence.

Ambassador Ambler Moss has fulfilled a valuable mission on the Isthmus of Panama. His message of friendship and understanding has forged a firm and permanent spiritual bond. His relationships, experiences and total touch with reality made him an ambassador of good will.

If President Reagan were to confirm Ambassador Moss in his post he would be laying a bridge for all Panamanians toward an open and noble friendship.

The two superpowers represent two totally different political choices. This will be so now and always. America, however, has its own unsurpassable [insuperable] political system, which must be developed in a vast, invigorating international crusade which will light the fire of human solidarity in all peoples.

Panama and the United States began this invigorating action with the steps taken for the new canal agreements. The most brilliant page of Carter's international policy was written on the Isthmus of Panama.

This is the historical question: Are we going to continue along this path of political renewal, or are we going to return to the sad cries of communism and anticommunism?

CSO: 3010

U.S. ENVOY CRITICIZED FOR SUPPORTING GOVERNMENT

PA161633 Panama City LA PRENSA in Spanish 16 Feb 81 p 1-A

[Front page "As of Today" column]

[Text] The current U.S. ambassador has fully complied with the task entrusted to him by President Carter, who appointed him. The task has consisted of supporting, in public and private, the regime of General Torrijos in every way, so that the Torrijos-Carter treaties could be implemented without any reaction of authentic national sentiment on the part of the present rulers.

In fulfilling this task, the ambassador has become a promoter of the guarantees which the regime has offered private investors while the country continued to suffer an economic crisis. He did not point out the profoundly antidemocratic tendency of the educational reform, which was financed with International Development Agency funds, while the 9 October movement was underway. Neither has he admitted the open intervention of the government in the internal affairs of Central American countries, while the area has been plunged into the most convulsive era of its history.

The ambassador limited his action in Panama to his closeness with the "process," not taking into account that the country's majorities repudiate it and seek an institutional change that will guarantee democracy.

There are indications that with the change of administration in Washington there will be an ambassador who will represent the new president of the United States. We hope the new ambassador will behave as a diplomat who is respectful of our sovereignty, and not as a supporter of the incumbent government, whichever it may be.

CSO: 3010

NATIONAL GUARD PROMOTES, TRANSFERS OFFICERS

PA052328 Panama City LA REPUBLICA in Spanish 4 Feb 81 pp 1, 12

[Text] Last night the General Headquarters of the National Guard announced promotions and transfers of some of the officers of our sole armed organization. The changes in the officer ranks were announced as follows:

Following its policy of honoring the achievements and services of its men in uniform the National Guard Headquarters today announced several promotions and transfers of National Guard officers.

Lieutenants Promoted to Captain:

Agustin O. de Gracia (8th Military Zone, Bocas del Toro); Azael Adames C. (Panamanian Air Force); Nicolas Gonzalez A. (Panamanian Air Force); Marxio Herazo (director of the Gen Tomas Herrera Military Institute); Edward Rolando Waite (Panamanian Air Force); Carlos Quiros Rosas (Panama Police); Mariano Ortega Gomez (5th Military Zone, David, Chiriqui); Juan Antonio Oberto (5th Rifle Company "Victoriano Lorenzo"); Ricardo Reyes Dutary (security escort to the commander in chief); Ruben Dario Mascunana (sports and recreation officer, G-1); Hector Fonseca (deputy chief, G-3).

Transfers:

Maj Arturo Marquinez, transferred from the 1st Rifle Company "Tinajita" to chief, 2d Military Zone Colon; Maj Domingo Ocalagan, transferred from the 2d Military Zone Colon to General Headquarters; Maj Eugenio Corro V., transferred from the 7th Military Zone Las Tablas to chief of the Ordnance Service; Maj Roberto Armijo, transferred from Panama Police in the 1st Military Zone to chief of the 7th Military Zone Las Tablas; Maj Pedro D. Cedeno, transferred from the Office of the General Staff to chief of the 10th Military Zone Chorrera; Capt Carlos Arjona, transferred from the 10th Military Zone Chorrera to chief of the Presidential Guard; Capt Jorge Correa, transferred from the Presidential Guard to chief of the San Miguelito Police Precinct; Capt Arnulfo Castrejon, transferred from the San Miguelito Police Precinct to Panama Police in the 1st Military Zone; Capt Wilford Nipple, transferred from the 6th Rifle Company "Expedicionaria" to chief of the 1st Rifle Company "Tinajita"; Capt Juan Antonio Oberto, transferred from the 5th Rifle Company "Victoriano Lorenzo" to chief of the 6th Rifle Company "Expedicionaria"; deputy chief G-3 to the 2d Military Zone, Colon. [name for this last transfer not published]

CSO: 3010

U.S. ATTITUDE TOWARD MILITARY EXERCISES CRITICIZED

PA161627 Panama City MATUTINO in Spanish 16 Feb 81 p 6

["Facts Which Speak" column by Ricardo Lince]

[Text] Although the continuous violations of the Torrijos-Carter treaties by the United States are well known facts, so far, both sides have maintained an image of reaching some level of understanding and a climate of frank detente with regard to the application of the defense treaty, to the point that the public believed that a mutual agreement existed on military matters and that a spirit of mutual respect and professionalism prevailed among the members of the combined board of the armed forces of Panama and the United States and that this would be the intelligent course which would finally prevail in order to overcome other differences and to strengthen the general relations between the two countries for reasons other than those which caused the old conflicts.

However, the military affairs have assumed another appearance, judging from the recent statements made by Lt Col Armando Contreras, cochairman of the combined defense board, who denounced the fact that the U.S. Army will unilaterally carry out its own military maneuvers in Panama, without the National Guard, as had been agreed in the treaties. Consequently, the National Guard in the face of this decision by the other side, acting as if it had territorial sovereignty, has decided to abstain from any participation in those maneuvers in an attitude which does honor to the oath of loyalty and to the Panamanian interests which our troops solemnly made at Amador when they took possession of our territory.

This action shows that the U.S. Army lacks the confidence in its ally with whom it made a military pact and it is an affront which automatically changes the climate of detente to one of tension, because the facts speak for themselves, and it promotes suspicion and doubt beyond all logic. This attitude by the army will place the grave responsibility of violating a joint defense pact solely on the United States, and this breach of the spirit of neutrality thereby leaves Panama free to act if it should become necessary to protect itself for the defense of its canal and territorial integrity with the presence of UN blue helmeted soldiers.

The tactics being used do not appear to be the result of the hard lessons learned by the Pentagon during the disasters in Asia, but rather the result of fear of the military weakness which the Americans, gripped by pessimism, not to say panic, are shooting to the four winds. They are trying to convince their allies, in this

case Panama, of this accepted weakness which is becoming the greatest danger for peace. Proof of this is that with their mistreatment they are weakening their allies, who are defending the home fronts.

The vulnerability of the canal is well known and its defense, if it is senseless, will quickly be faced with sabotage and a shutdown if the Panamanian-U.S. strategy does not have all the means to provide 24-hour relative security for the canal.

This canal cannot be defended against the latent dangers of the neutron or atomic weapons or against modern airborne troops. The principal weapon to the world is provided by the Panamanian people, who are determined to keep the canal open because it is essential to their country. This is especially true now that its U.S. partner has failed miserably, because in order to defend its own territory and its canal it cannot demand from Panama the sacrifice of its dignity as a nation. The Panamanian armed forces symbolize and represent almost 2 million Panamanians and their presence is the symbol of our nationality.

CSO: 3010

WORKERS REJECT U.S., CANAL POLICY ON SALARIES

PA311723 Panama City STAR AND HERALD in English 31 Jan 81 p B-6

["On the Labor Front" column by William Sinclair]

[Text] We in AFSCME [American Federation of State, County and Municipal Employees] totally reject arguments set forth by the Panama Canal Commission and U.S. Defense Department agencies operating in the Republic of Panama relative to why non-U.S. citizen employees should pay the second installment of the 13th month salary to the Panama Social Security Agency, out of their pockets.

This is an obligation that must be met by all employers in the Republic of Panama and to tell non-U.S. citizen employees that "U.S. Government agencies have no authority to pay it because this would constitute a violation of the wage discrimination prohibition of the treaty and implementing agreement, since a similar bonus cannot be paid to U.S. citizen employees" is abominable and a crying shame.

U.S. citizen employees are enjoying, and have always enjoyed, a long list of benefits not applicable to non-U.S. citizens.

That, of course, seems to be equitable and just, but to comply with a requirement of the Panama Social Security Agency, favorable to non-U.S. citizens, is not equitable and just.

How ridiculously contradictory U.S. agencies can apply laws and regulations is nothing new to us.

It is the same decadent policy being practiced in Panama since 1903, e.g., the application of any portion of a law which is not very favorable to non-U.S. citizens, but open rejection of any portion of those laws which is beneficial to them.

We understand the Panamanian Government will refuse to accept money deducted from the employees' salaries. Let's hope the Panamanian Government will do just that, thereby creating a crisis, if necessary, to force through a favorable solution, based on the law governing the Panama Social Security Agency.

When we returned to our office after completing a 10-day assignment in Washington, D.C., we could hardly believe what we were hearing about the agencies' position and even more deplorable is the fact that a union representing, or misrepresenting,

Panamanian employees has the gall to support the Panama Canal Commission and Defense Department agencies in carrying out this grossly unfair action against the interest of Panamanian workers.

We want to know if or when the agencies find out or decide that they must pay the 13th month, instead of the employees, and if the money is to be refunded to employees, if that refund will be with interest.

Any other way is outright, abominable robbery.

CSO: 3010

TORRIJOS, PAREDES ATTEND CATTLEMEN MEETING

PA012334 Panama City Televisora Nacional in Spanish 2315 GMT 31 Jan 81

[Report by Jose Montano]

[Text] Civilian and military authorities attended today the inauguration of the second cattlemen's eastern sector meeting held in Tanara. The meeting this year included local producers among the speakers.

The ceremony, held in honor of former Agricultural Development Minister Lt Col Ruben Dario Paredes, was also attended by Gen Omar Torrijos, who toured the installations where there is also an important exhibit of Holstein, Brown-Swiss, Brahman and Indo-Brazil cattle.

During the opening ceremonies Agricultural Development Deputy Minister Jose Agustin Espino made important statements on the nation's agricultural policies:

[Begin recording] Now that we have joined the team working on the government's agricultural sector and the tasks and programs of each and every one of the producers in this country, we have a great challenge and commitment.

This challenge and commitment is to try to give the agricultural sector the importance it deserves because of our natural resources and the men working to make them produce.

This challenge also increases the need for more production not only for the benefit of producers but also for the sake of the consumers. Day by day foreign factors affect the price of our family basket. Productivity can solve some of the problems increasing the cost of the family basket by improving the prices paid to producers.

We shall have the most ample dialogue and communications with all production sectors in order to bring the largest amount of food to the Panamanian people at the lowest price possible. [end recording]

During the Tanara ceremonies, which seem to be the beginning of an aggressive government policy to attain a dynamic development in the agricultural sector, former Agricultural Development Minister Lt Col Ruben Dario Paredes said:

[Begin recording] I believe the time has come for the national government and its officials to take positive steps so the national producers will continue in their efforts and not abandon their farms and cattle ranches because of inflation affecting our country.

But the solution does not lay in an increase of prices for the consumer. This is why I say that the time has come to introduce a policy which may at first seem negative for the national economy but upon analysis, I am sure we will all come to realize that a subsidy for agricultural production is what we need at this time.

What is this subsidy? It is not merely the handing out of money. It implies a total liberation of taxes on income produced by farming activities. [applause] It implies a revision of the tax policy and to analyze if conditions in Panama today demand a change in tax laws. [end recording]

Meanwhile Agricultural Development Minister Alfredo Oranges met with ministry officials to announce a thorough reorganization of the ministry. Four days after having assumed his post the new agricultural development minister summarized the official policy in the following terms:

[Begin recording] The Agriculture Ministry following the meeting with the national directors will specifically promote the production of the family basket items. This will be done by incentives to the producers, motivation of the peasants and protection with just prices for the producer. Nevertheless we shall maintain controls so that this profit will not remain in the hands of middlemen but in the hands of the producer. [end recording]

Minister Oranges also said that he will strive to make the sector more flexible, reduce bureaucracy and strengthen the decisionmaking capability of midlevel directors.

CSO: 3010

BRIEFS

ROYO ON CABINET CHANGES--Panama's President Royo commented on yesterday's cabinet changes as follows: This is a normal process in public life. It is normal to make political changes and to shuffle persons from one post to another. After 2 years of government, we believe that some persons can be more useful to the country in other positions, and this is the reason for rotation of posts. We have introduced young elements to public positions of great importance. It is a reorganization to compensate for a sort of metal fatigue; that is, we had to make some changes. It is a matter of new trenches, and to reward some members of the process by giving them opportunities in some positions and transferring other persons to different posts in the government. [Text] [PA290408 Panama City Televisora Nacional in Spanish 2315 GMT 28 Jan 81]

CSO: 3010

OFFICIAL DENIAL THAT NAZI REFUGEE IN COUNTRY

PY051817 Montevideo Radio El Espectador Network in Spanish 1600 GMT 5 Feb 81

[Text] An official denial has been made here in Montevideo that the physician and former Nazi official Josef Mengele is in this country. A communique to this effect has just been released by the National Public Relations Bureau [DINARP]. Our mobile unit No 5 is now reporting from the bureau:

[Begin relay] According to a report published by an international news agency, Simon Weisenthal, head of the Vienna Documentation Center, recently asserted during a press interview that the war criminal Josef Mengele is now in Uruguay as an adviser at the Libertad prison under the false name of (Billy Karpis).

In view of the wide publicity given to this report in many countries where it has been touted as originating from a serious source, the DINARP finds itself compelled to emphatically deny this report, which can only be termed fanciful and ridiculous. Reports of this type by which attempts are made to damage our image abroad can only have their origin among individuals who have been carrying out a violent propaganda campaign abroad against Uruguay for many years.

The falacious reports of tortures and disappearances of political prisoners, which have become ineffective when being confronted with proven reality, have now given place to this type of rumor, spread throughout the world by terrorists and the agents of international communism who have access to public and private organizations which are accomplices or abettors or who are simply ill-informed and spread those fanciful rumors.

The statement that Josef Mengele is employed as an adviser to Libertad prison officials is in perfect accordance with this pattern which endeavors to give a false image of the treatment given to persons who are detained at the penitentiary after due trial.

This is the text of the communique which has just been released by DINARP.
[End relay]

CSO: 3010

BRIEFS

TRADE WITH ARGENTINA--Montevideo, 30 Jan (AFP)--It was learned today from an official source that Uruguayan exports to Argentina have increased by 708.6 percent during the 6 years that the Argentine-Uruguayan Economic Cooperation Agreement (CAUCE) has been in force. The CAUCE office reports that during the period of time the number of products that Uruguay negotiated with Argentina increased by 237.7 percent and that Uruguayan exports increased by 71 percent in 1980 in comparison to 1979. Uruguay imported products amounting to \$5.63 million during 1980 and that Argentine sales increased by 60 percent in comparison to 1979. [PY071336 Paris AFP in Spanish 1631 GMT 30 Jan 81]

TRADE DEFICIT--Montevideo, 4 Feb (LATIN)--The Central Bank revealed today that the trade deficit between January and November 1980 amounted to \$548,846,000, while during the same period in 1979 it only amounted to \$380,418,000. Exports during the same period amounted to \$904,408,000 and imports to \$1,453,254,000. [PY071336 Buenos Aires LATIN in Spanish 2150 GMT 4 Feb 81]

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